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House Passes Major Tax Cut

Washington DC – Today, the U.S. House of Representatives passed the 1998 Taxpayer Relief Act, an \$80-billion dollar tax cut (over five years) targeted toward middle-class Americans.

The so-called “90-10” tax cut plan uses only about 10% of the federal budget surplus over the next ten years to cut taxes and leaves 90% to strengthen Social Security and to pay down the national debt.

“We’re making sure the surplus helps taxpayers to keep more of what they earn, instead of getting spent on more federal programs,” Istook said. “Already the President has proposed spending billions from the surplus on bigger government. Americans deserve bigger take-home pay, not bigger government.”

The tax relief bill eliminates the marriage penalty by increasing the standard deduction for married couples. It also encourages savings, by exempting \$200 per person in interest and dividend income. The bill also simplifies income tax returns for several million taxpayers, lets senior citizens earn more without losing Social Security benefits, reduces inheritance taxes, and lets self-employed persons deduct the full costs of their health insurance.

Said Istook. **“And while we’re reducing taxes, we need to do it in a way that strengthens families. Husbands and wives have been forced to pay extra income tax for the privilege of being married. That’s wrong. We’re ending the marriage penalty, to tell people we want their marriage and their family to stay together.”**

“And the rest of the good news is that this is only another step toward more tax relief. We want to cut taxes again next year.”